

## Decision to be made by the Portfolio Holder for Finance and Property on or after 20 January 2017

### Residential Rehabilitation Framework Proposal

#### Recommendation:

That the Portfolio Holder for Finance and Property agrees to the commencement of a collaborative procurement process to be undertaken with Leicester City Council, Leicestershire County Council and Coventry City Council to let a framework to provide Tier 4 residential rehabilitation services for substance misuse. The procurement process to be led by Leicestershire County Council with input from all participating authorities and conducted by ESPO on behalf of Leicestershire.

#### 1.0 Key Issues

1.1 Residential rehabilitation is a Tier 4 intervention, providing accommodation, support and rehabilitation to service users with complex alcohol and/or drug misuse issues. The service is for individuals who have been assessed as needing this level of intervention as part of their recovery plan. The intervention is for individuals who meet key criteria, to ensure the funding targets individuals with the most complex needs and provides the greatest benefit to the health and social care economy. The priority groups are:

- Dual diagnosis
- Serious, or potentially serious, physical health problems, likely to be 'frequent flyer' or long-term user of multiple health and social care services
- Victims of domestic abuse or childhood abuse and therefore likely to have significant psychological / emotional problems
- Prolific offenders; not necessarily a PPO (prolific and priority offender) but someone who evidently has a frequent offending history

Funding for placements is agreed on an individual basis by a local multi-disciplinary panel.

1.2 Placements are currently spot purchased; however, the cumulative spend with some providers mean that a formal procurement process is required.

1.3 These placements target the most complex individuals in treatment services, who without the additional intervention are unlikely to be able to achieve abstinence. They are often at risk of losing their accommodation, or already

homeless and will be at risk of significant health issues, physical and mental health.

- 1.4 Spot purchasing of current placements means that identification of placements is led by the referrer and service user and can result in individual placements with organisations not previously known to the local authority and a high probability that they will not be used again in the near future. This presents a challenge in managing quality. There is no current rehab provision in Warwickshire and placements are spot purchased from providers across the whole of the country which makes it difficult to performance manage the quality and effectiveness of this provision.
- 1.5 The complexities of the individuals who require the Tier 4 level interventions means that it is unlikely they could successfully undertake community rehabilitation. There would be safety concerns initially following detoxification as there needs to be monitoring for adverse consequences, this requires individuals to have a good support network in place around them such as family or friends that could facilitate this. In addition a high level of engagement is required from the individual with attendance at specific times and venues and for highly intensive interventions with the majority of the individuals having very chaotic lifestyles. This makes engagement difficult to maintain at the level required over the extended period of time necessary to maintain abstinence. They also have to deal with the underlying issues which contribute to the reasons the person uses substances and equip them with coping skills to help prevent them from relapsing.
- 1.6 It is a requirement of the process that all individuals put forward for Tier 4 treatment will already have tried the community options and failed or have been assessed as not suitable for community options.

## **2.0 Financial Implications**

- 2.1 Warwickshire's annual spend on rehab placements was £592k in 2014-15 for 85 placements and £399k in 2015-16 for 42 placements.
- 2.2 The anticipated spend on placements in 2016-17 is £415k, with an individual 12 week placement costing approximately £8k. This represents a small percentage of the overall drug and alcohol budget at approximately 8% and has very limited opportunity for making cash savings due to the nature of the service.
- 2.3 The placement costs differ across rehab providers and this has an impact on the overall budget allocation and thus limits the numbers of people who we can fund to access this provision.
- 2.4 It is anticipated that by being part of the framework agreement Warwickshire may be charged more favourable rates by providers and that any savings achieved through this will be utilised to fund further rehab placements.

### **3.0 Proposal**

- 3.1 Initial engagement and scoping has identified that other authorities are also in a similar position with regards to these services. We currently have an initial verbal agreement in place with Leicester City Council, Leicestershire County Council and Coventry City Council to undertake a joint procurement exercise.
- 3.2 The proposal is to let a framework agreement jointly with the above authorities to provide residential rehabilitation services. The framework will be let on a zero value basis and Leicestershire County Council will lead the procurement process. It is proposed that ESPO be commissioned to facilitate the procurement process and the costs split between all partners.

### **4.0 Risks**

- 4.1 The framework will be let on a zero value basis so there is no on-going commitment to funding levels and therefore presents low financial risk to the authority.
- 4.2 The services are clinical and therefore present an inherent risk due to their nature. However all services will be required to be CQC registered and it is planned that an intelligence sharing and quality management agreement and process will be undertaken with all authorities participating in the framework to mitigate these risks.
- 4.3 Clinical governance risks will be managed via the contract; ensuring providers have robust policies and procedures in place, to include a mechanism for reporting and managing risks and reporting of serious and untoward incidents.
- 4.4 It is anticipated that each partner authority will agree to be responsible for contract and performance managing a proportionate number of the providers on the framework. The level and type of performance management has still to be agreed but there is a potential risk that we will have insufficient staff resource to effectively performance manage the quality of provision. This risk can be mitigated by actively involving our User Involvement project volunteers and 'experts by experience' in performing a Peer Review function to support this monitoring together with input from the Drug and Alcohol commissioner.

### **5.0 Benefits**

- 5.1 Sharing the procurement process with the other three local authorities increases the level of indicative spend via the framework and therefore increases buying power. This may drive some small financial savings by fixing prices for the period of the framework and by encouraging providers to submit competitive prices in the initial bidding process.
- 5.2 Savings will be achieved in terms of officer time as the administrative burden in managing the framework and the quality of provision will be shared across the participant authorities. Savings in officer time will also be delivered during

the procurement process, as the administration and evaluation will be shared across the participating authorities.

- 5.3 As mentioned previously, current placements are spot purchased and can result in individual placements with organisations not previously known to the local authority and a high probability that they will not be used again in the near future. This presents a challenge in managing quality and effectiveness of treatment. It is planned that an intelligence sharing and quality management network will be established with all participating authorities.
- 5.4 The framework providers will be allocated across the network for a formal quality assurance process to be carried out. Information sharing agreements will allow concerns with any individual provider to be shared across the network. The authority with lead on this provider can then take action as necessary, and the decision can be reached to put a joint placement stop on any provider who does not meet the required standard while remedial action is taken.
- 5.5 Letting a framework will promote service user choice as it is planned that individuals will have the freedom to choose from the framework without undertaking further competition. Providers will detail a clear overview of their service to include their approach e.g. 12 step, therapeutic community etc. and any other specifics such as female only, or dual diagnosis support. This overview will include any complexities that they can support over and above the substance misuse issues. Service users can then identify a small cohort of services which meet their requirements to look at in more detail and use the overview to support this choice. Currently they are either signposted by their worker, or have to undertake an internet search to identify placements. The framework will provide choice whilst ensuring quality is maintained.
- 5.6 There is a further panel process which the applications go through once the user has identified a placement; this enables costs to be kept to within limits and quality to be monitored.

## 6.0 Timescales associated with the decision and next steps

- 6.1 The table below provides an indicative timeframe for the approval and procurement process.

<b>Milestones</b>	<b>Deadline</b>
Portfolio Holder approval to proceed	January 2017
Draft & agree service specification	Feb 2017
Tender receipt & opening	March 2017
Tender award	June 2017
Contract commencement	July 2017

## 7.0 Background Papers

None

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This report was circulated to the following members prior to circulation.

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